

May 2004

Victor G. Carrillo, Chairman ★ Charles R. Matthews, Commissioner ★ Michael L. Williams, Commissioner

Rebate Update

As of April 30, 2004, the following amounts had been obligated in each rebate category for this fiscal year. You may call (800) 64-CLEAR for regular updates on the rebate funds remaining in any category and also to check the status of applications you or your customers have sent in.

Targeted Marketing

Since September, AFRED has partnered with 61 propane companies to staff 42 home and garden and other trade shows. Marketers report that these shows are one of the best ways to talk to customers and potential customers, since attendees are focused on building or remodeling their homes. Participating marketers report that the 42 shows have generated 710 new leads with a potential for 294,450 new propane gallons. If you know of a show that would grow your load, contact your area AFRED marketing rep for help.

Register Now for Free Poly Pipe, CSST Classes

On Tuesday, June 1, AFRED's Training Section will sponsor two half-day informal classes, one on polyethylene pipe (9:30 a.m. - 12 noon) and the other on corrugated stainless steel tubing (1:30 p.m. - 4:30 p.m.). Attendees will be certified by the supplier to make mechanical connections on poly pipe and/or to install, service and modify two brands of CSST. The classes will be held at the Railroad Commission's Alternative Fuels Training Center, 6506 Bolm Road, Austin. The classes are free of charge and open to anyone in the propane industry.

Enrollment is limited to 20 people per class, and pre-registration is required by 5:00 p.m. Wednesday, May 26. To register, fax your name, company affiliation, and which class(es) you will attend to Carol Goodman at (512) 475-2532, or call Carol Goodman at (512) 463-2682 or Cleveland O'Brien at (512) 923-5768.

FY 2004 as of 4-30-04

| REBATE TYPE | REBATE AMT | PAID | PENDING | RESERVED |
|------------------------------------|------------|------------------|-----------------|-----------------|
| Water heater--new construction | \$150 | \$203,250 | \$23,850 | |
| Water heater--electric replacement | \$300 | \$44,100 | \$6,300 | |
| Propane Star Home | \$750 | \$372,750 | \$62,250 | \$ 45,000 |
| | | | | |
| Media | 60% | \$4,311 | \$324 | |
| | | | | |
| TOTAL AFRED REBATES | | \$624,411 | \$92,724 | \$45,000 |

Reminder: Consumer rebates must be submitted within 30 days after the gas is turned on. Rebates for gas logs and space heaters were eliminated on May 31, 2003.

NOTE: An article on p. 8 of the April 2004 issue of *Texas Propane* contained two errors about the Railroad Commission's consumer rebate program. The article stated consumers could receive a \$100 rebate for a propane gas log or fireplace insert. This rebate ended May 31, 2003. The article also stated consumers could be entitled to \$50 of free propane or six months' free tank rental. These incentives have never been part of the Commission's rebate program.



SuperStar Nomination Time

AFRED's annual Propane SuperStar applications are coming in. Don't forget to honor your customers by nominating them to receive press coverage for their use of propane and to let them know how much you value their business. This year's awards will

be presented during the Texas Propane Gas Association's annual convention August 1-4 at the Westin La Cantera Resort in San Antonio. Applications will be accepted until June 1. Don't delay, get your nomination in today!

Delivery-Fee Collections

As of April 30, AFRED's delivery-fee collections for fiscal 2004 totaled \$1,600,428, about 2 percent below the 12-year average for this date.

Positive Media

AFRED has secured positive press coverage on propane in 66 newspapers in Texas so far this year, ranging from the Bosque County News and Dalhart Daily Texan to the San Antonio Express-News.

This month's release highlights safety tips for RV appliances. Your area marketing representative can customize the release for you, or you can download each month's releases online at www.propane.tx.gov. Remember to put the release on your company letterhead and include a company contact name and phone number, in case your local media needs follow-up information.

Regulatory Update: Exam Procedures

For information about the License and Permit Section's examination schedule, sites and review material, please go the RRC web site at www.propane.tx.gov, click on "Licensing and Certification" in the right-hand column, and select "Notices to Industry" to view exam site locations, dates, and study materials. Exam schedules are mailed routinely with each examinee's admittance letter.

To take an exam, each applicant must appear at the scheduled location no later than 9:00 a.m. and present an original (no faxed copies, please) Admittance Letter from the License and Permit Section, along with proper identification (Texas Driver's License or state-issued photo ID). All fees must be received in the Austin office of the Commission a minimum of three business days prior to the exam date for all field examinations. No exam fees are collected in the field.

Exam results are mailed out within 8 to 10 days from the exam date.

The examination schedule is revised annually by August 15, and a new schedule is posted on the Commission's web site as described above.

Research Update: Road Base Drying

AFRED's recent work at Texas A&M University has given a boost to the idea of using propane burners to dry the soil underneath a highway to the required moisture content prior to compaction and surfacing. The Texas Propane Gas Association has a proposal pending with PERC to work with AFRED to develop and demonstrate such equipment.

Texas A&M researchers, under the direction of AFRED's Dr. Steve Jaeger, concluded that using propane was feasible and had the potential to save the highway construction industry as much as \$124 million annually compared to current road-drying technology.

The PERC Council is expected to consider TPGA's proposal at its June meeting.

Railroad Commission Contact List

COMMISSIONERS

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AFRED

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AFRED MARKETING REPS

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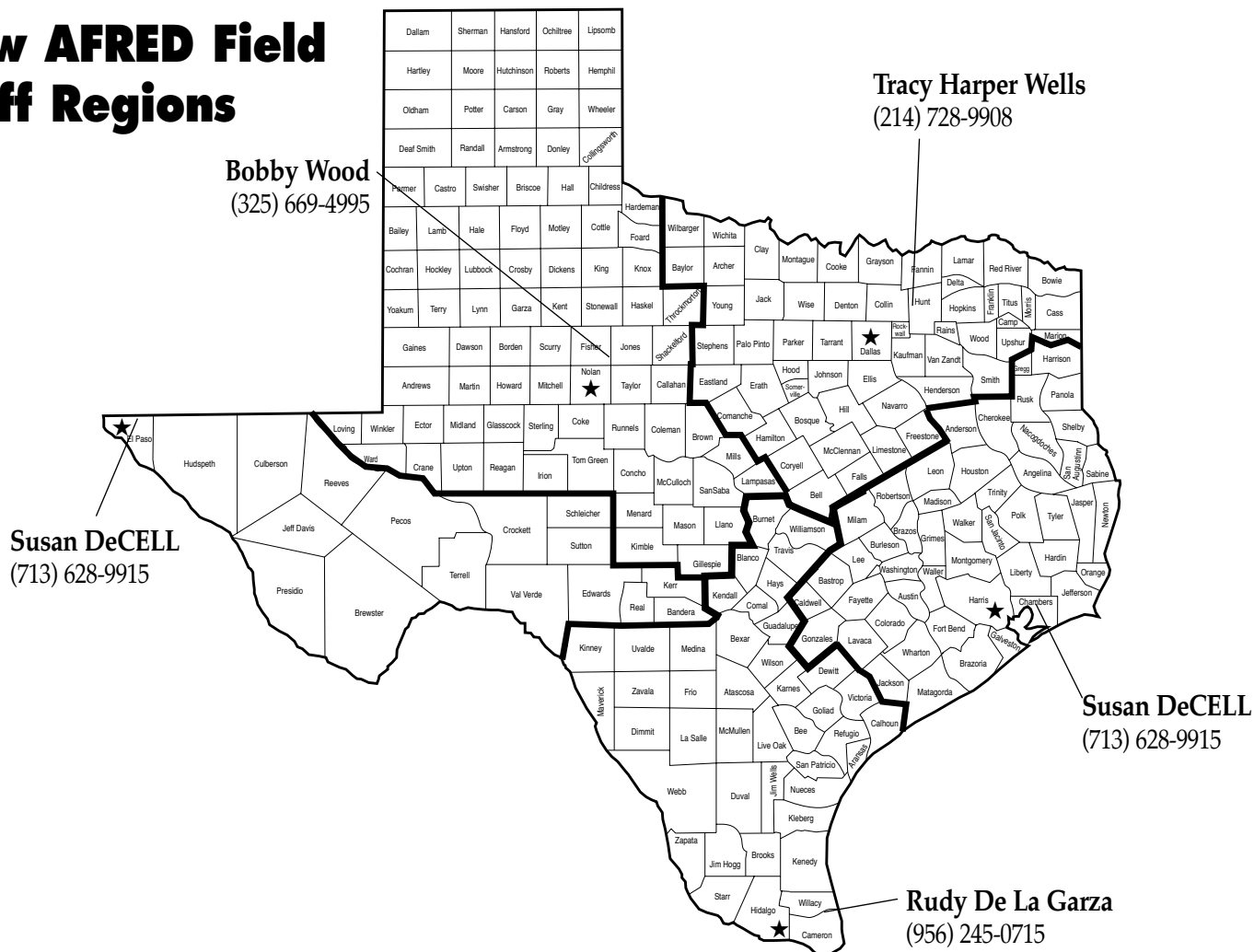
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SAFETY DIVISION

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Richard Gilbert, LP-Gas Regulations (512) 463-6935
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FAX: LP-Gas Safety Section (512) 463-6921

New AFRED Field Staff Regions





To enter, complete the information below and return this form to the Railroad Commission of Texas/ Alternative Fuels Division, Attn: SuperStar Awards, P.O. Box 12967, Austin, TX 78711-2967 no later than 5 pm CDT on May 31, 2004.

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Nominated by _____

Contact Name: _____

Address: _____

City/State/Zip: _____

Phone: (_____) _____

Nominee name _____

Contact Name: _____

Address: _____

City/State/Zip: _____

Phone: (_____) _____

Media outlet name and number press release is to be sent to: _____

SuperStar Category Name _____

Please describe how your nominee uses propane in an outstanding way. Include length of time using propane and general description of business. Please include actual quotes from nominee on why they chose propane and/or a positive experience with propane.

Description of company/organization/user (TO BE COMPLETED ON BEHALF OF NOMINEE)

Use additional pages if necessary.

For questions or more information, please contact the Railroad Commission of Texas/Alternative Fuels Division 1-800-64-CLEAR.

[COMPANY LETTERHEAD]

FOR IMMEDIATE RELEASE

DATE: _____

CONTACT: [YOUR CONTACT NAME AND PHONE NUMBER]

[COMPANY NAME]'s Tips for RV Appliance Safety

(Your town, date) —From the wide open spaces of Palo Duro Canyon and Big Bend to the sun and surf of Port Aransas, Texas has plenty of attractive vacation destinations. Thousands of Texans will visit these fun spots and travel to out-of-state vacation attractions in recreational vehicles (RVs) this year. However, an improperly maintained vehicle can make even the smoothest road seem like a trip with the Griswolds to Wally World.

[CONTACT NAME] of [COMPANY NAME] recommends that RV owners use the following checklist to ensure a safe and worry-free RV vacation season.

1. Have your RV inspected by a licensed professional.

Owners should take their vehicle to a qualified, Railroad Commission-licensed propane gas supplier or licensed RV dealer for an annual checkup. Whether the RV is used year-round or only occasionally, every RV's propane gas system should be checked in order to keep it operating in tip-top shape.

"We'll check the system for leaks and proper regulator settings, as well as inspect the valves and fittings," says [CONTACT NAME] of [COMPANY NAME]. "In addition, we'll inspect the propane tanks for excessive rust and dents. Most tanks will last for years; however, seriously dented or badly rusted tanks must be replaced immediately."

"We'll inspect all your appliances, including the air intakes and exhaust vents. It's a common mistake to forget to remove access door and vent covers that were put on to keep out bugs during the fall and winter. But without proper ventilation, the gas will not burn properly or not light at all," says [CONTACT NAME] of [COMPANY NAME].

Become familiar with the odor of propane gas. You can order a free Scratch and Sniff brochure by calling the Railroad Commission at (800) 64-CLEAR. The brochures will teach the whole family how to recognize the "rotten egg" smell of propane gas.

2. Take care of your tank.

Paint the propane tank a light, reflective color; but do not paint over warning labels. Assuming the tank has passed inspection by a properly licensed propane supplier, any minor rust touch-ups can be performed by RV owners.

Always use the propane tank in the proper position. Arrows indicating the correct position are embossed in the metal of the tank. A horizontal tank must never be used in the vertical position, and vice versa.

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3. Be attentive on the road.

Follow proper refueling procedures when you have your on-board propane cylinders refilled. When refueling, turn off the engine, all appliances, and the electronic re-igniters. Railroad Commission LP-Gas safety rules require that all passengers exit the RV during refueling. After refueling, your propane supplier should ensure that your system has no leaks. A continuous hissing sound could indicate the presence of such a leak. If a leak is detected, your propane dealer will provide qualified assistance.

If you smell gas, exit the camper without using an electric switches or appliances; leave the door open to air out the vehicle; shut off the propane tank; and call a propane gas supplier or the fire department from a nearby phone.

One final tip: before heading out on your trip, go online to www.texaspropane.org for a directory of statewide propane fueling stations or call (800) 64-CLEAR to request that the Texas Propane Outlet Directory be mailed to you. For more information on RV safety, call the Railroad Commission's Alternative Fuels Division at (800) 64-CLEAR.